SAMA

Saskatchewan Assessment Management Agency

ANNUAL 2011 REPORT

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

VISION

SAMA is the recognized leader and authority on property assessment, and Saskatchewan's service provider of choice.

MISSION

SAMA develops, regulates and delivers a stable, cost-effective assessment system that is accurate, up-to-date, universal, equitable and understandable.

To do this we focus on six key responsibilities:

Governance
We provide leadership in methods of valuation and rules of assessment.

Assessment Services
We provide property assessment valuation services.

Information
We manage a comprehensive source of property assessment information for local governments, the Province, and other clients.

Quality
We promote and practice quality control and conduct quality assurance audits.

Communications
We consult with and inform local governments and the public about property assessment.

Innovation
We incorporate best practices and utilize appropriate new technologies.

SAMA CORE VALUES

Integrity
We practice ethical and high professional standards. We conduct our business with honesty and respect for others, by honouring our commitments, and being accountable for our actions.

Professionalism
We are experts in our field, and value continuous learning and training to ensure we deliver quality products and services.

Dedication
We are committed to improving every aspect of our property assessment system. We see every challenge as an opportunity to succeed.

Solution-Focused
We work collaboratively with others to understand needs and provide the best possible solutions.

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The Honourable Vaughn Schofield
Lieutenant Governor
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4T 1B7

Your Honour:

I have the honour to submit the 2011 Annual Report for the Saskatchewan Assessment Management Agency.

The Saskatchewan Assessment Management Agency operates on the calendar year. This report documents the period January 1, 2011 to December 31, 2011.

Respectfully submitted,

Darryl Hickie
Minister of Municipal Affairs

Honourable Darryl Hickie
Minister of Municipal Affairs
Room 307, Legislative Building
Regina SK
S4S 0B3

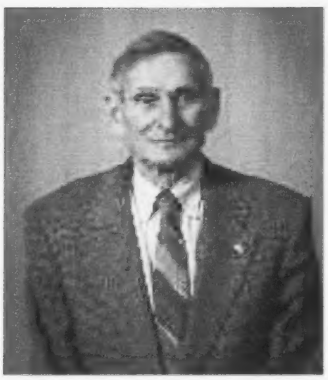
Mr. David Marit, President
Saskatchewan Association of Rural Municipalities
2075 Hamilton Street
Regina SK
S4P 2E1

Mayor Allan Earle, President
Saskatchewan Urban Municipalities Association
200, 2222 - 13th Avenue
Regina SK
S4P 3M7

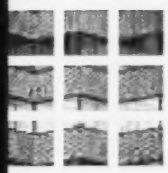
Dear Sirs:

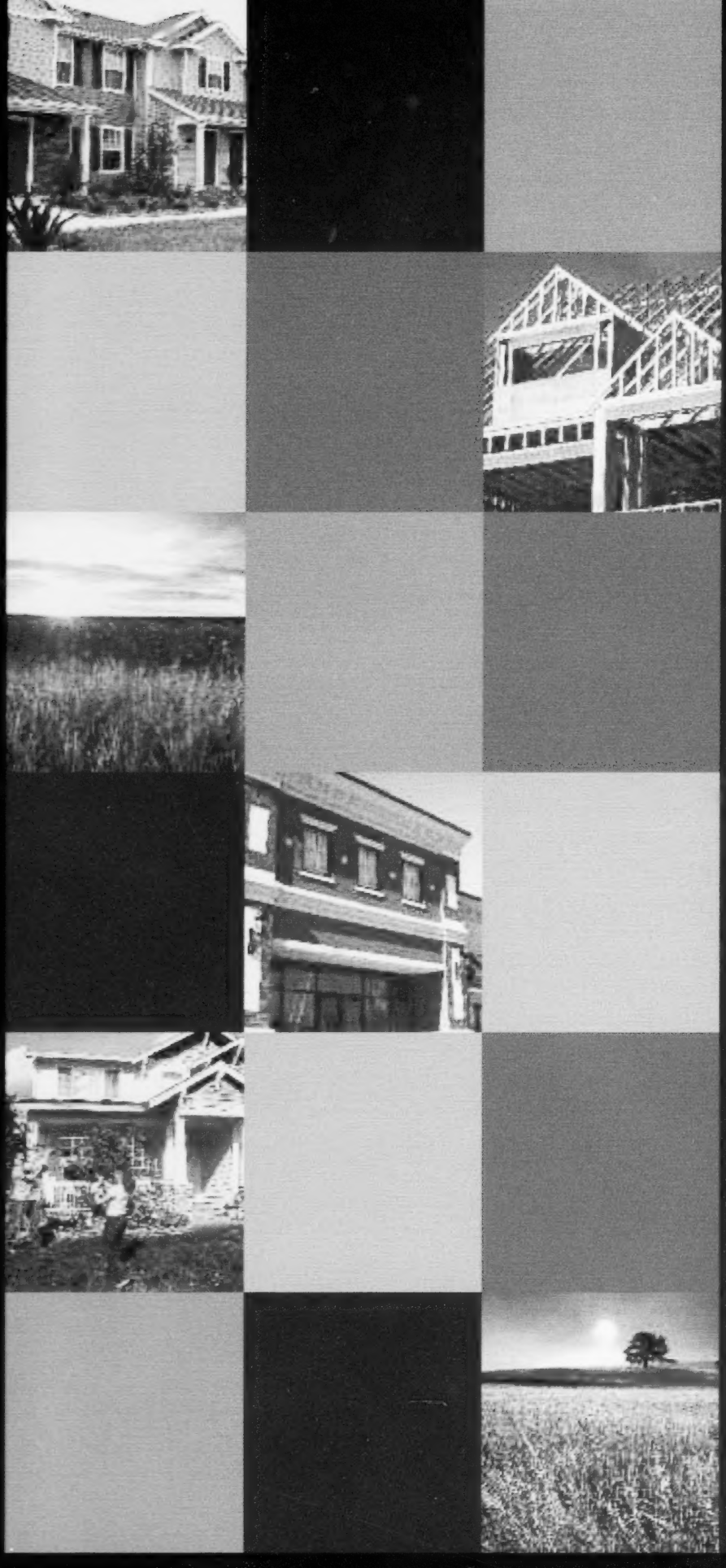
On behalf of the Board of Directors, I respectfully submit the 2011 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 2011 to December 31, 2011.

Yours sincerely,



Neal Hardy
Chair, Board of Directors



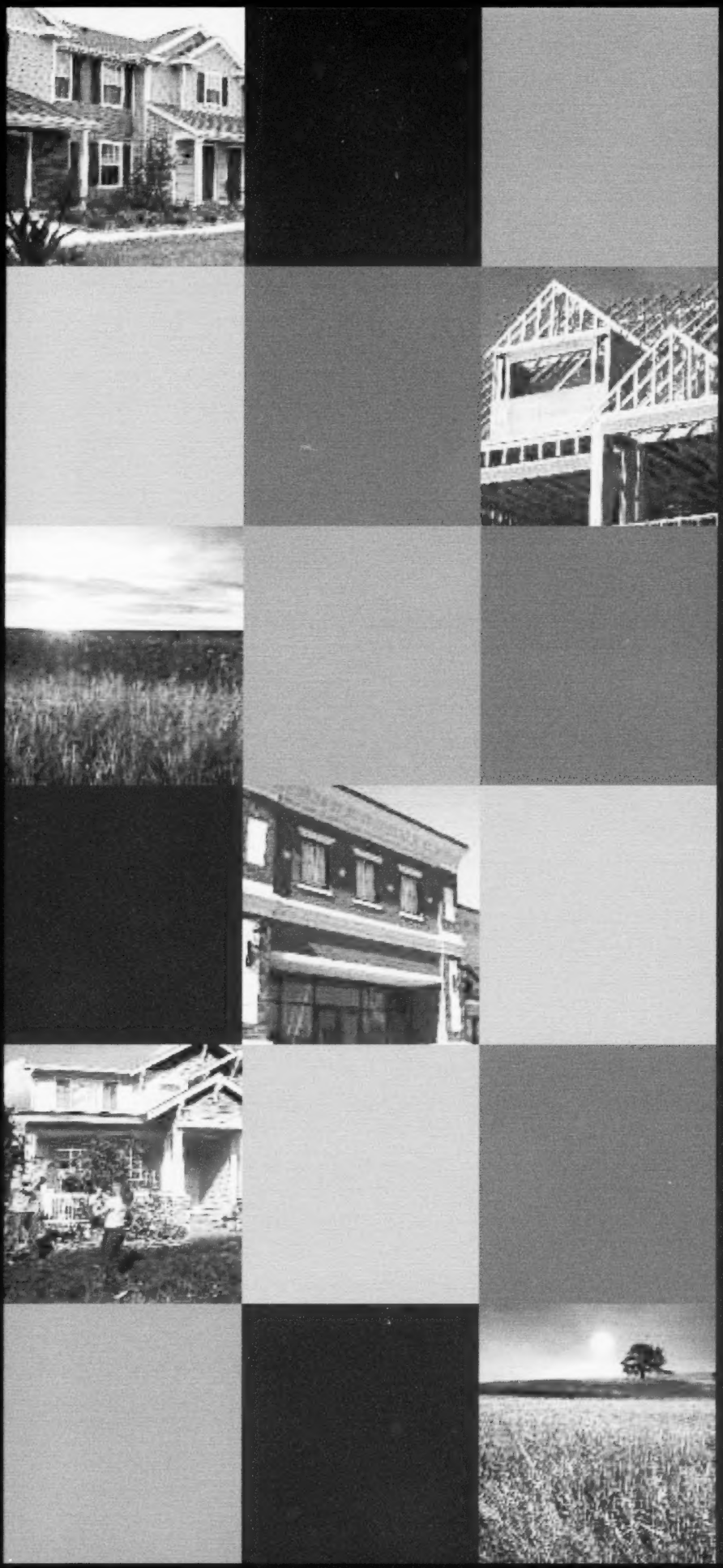


SAMA

Saskatchewan Assessment Management Agency

BOARD 2011 REPORT

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN



SAMA

Saskatchewan Assessment Management Agency

BOARD 2011 REPORT

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

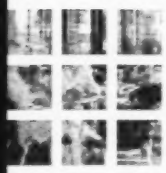
L to R: Fred Clipsham, representing Urban; Sharon Armstrong, representing Urban; Morgan Powell, representing Rural; Neal Hardy, Chair, representing the Province; Myron Knafelc, representing the Province; John Wagner, representing Rural.
Missing from Photograph: Jim Angus, representing the Province.

The Saskatchewan Assessment Management Agency (SAMA) is the recognized leader of property assessment in Saskatchewan.

SAMA was formed in 1987 by *The Assessment Management Agency Act* to develop a fair property assessment system, and to provide municipalities and school divisions with cost-effective assessment services.

Responsibility for both the assessment system and assessment services – formerly held by the provincial government – was given to the independent Agency based on the recommendation of the Local Government Finance Commission. The Commission stated that the change would overcome a lack of local government authority in the assessment function, ensure adequate resources for the long-term, provide needed research and policy development and establish a higher priority for the assessment function.

In 2011, SAMA was funded jointly by the Province and municipalities. The Agency received statutory funding from the Province for provincial program services: assessment policy research, a central database of assessment information, assessment information for provincial programs and quality assurance. Since 2010, statutory funding provided by the government also includes funding for the education sector. The balance of the Agency's revenue was primarily provided by the municipalities that use the Agency's assessment services, and was obtained through a municipal requisition.

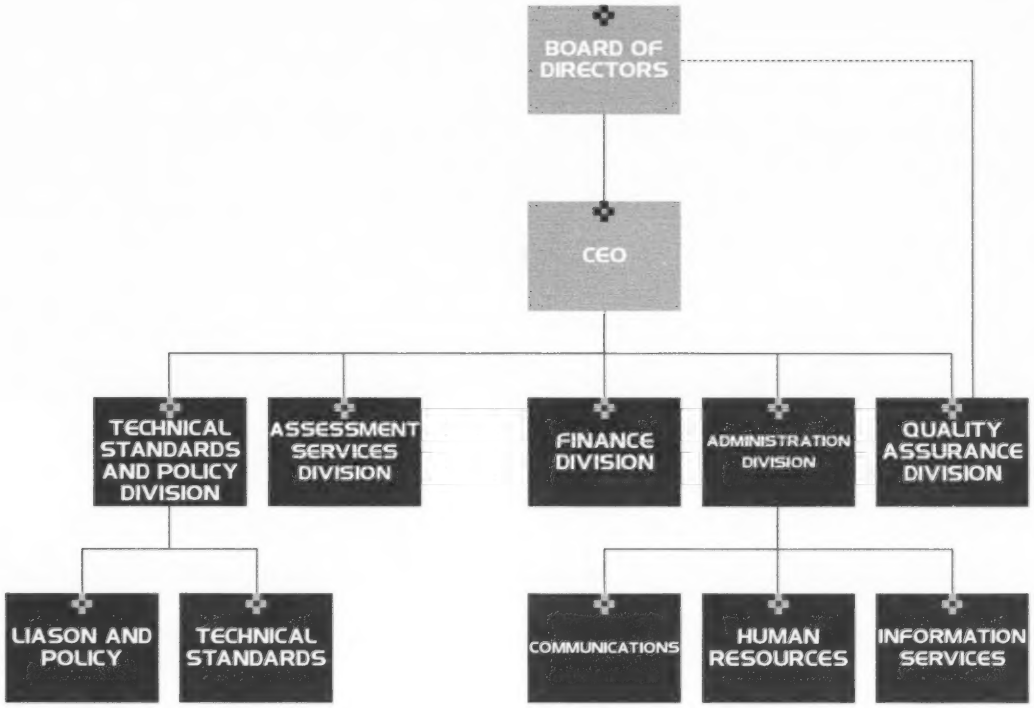


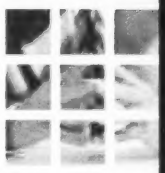
SAMA is responsible for a $94 Billion property assessment base, and a $1.4 Billion property tax base. The Agency provides assessment valuation services to 756 urban, northern and rural municipalities. It is directly responsible for the assessed values of approximately 798,000 properties in the province.

SAMA's central office is located in Regina. The Agency provides assessment services to municipalities from seven regional offices – Melfort, North Battleford, Regina, Saskatoon, Swift Current, Weyburn and Yorkton. In 2006, SAMA began providing assessment services under a fee-for-service contract to the City of Moose Jaw. The Agency maintains an office in Moose Jaw as part of that contractual agreement.

SAMA

Saskatchewan Assessment Management Agency





FUNCTIONS

- Principal liaison with provincial government and cities
- Special Projects

FUNCTIONS

- Technical Standards (Assessment Manual, Training, Interpretation and Guidance Support)

FUNCTIONS

- Public Education
- Community Relations
- Stakeholder Relations
- Issues Management
- Strategic Planning
- Media Relations

FUNCTIONS

- Collective Bargaining
- Employee Relations
- Staffing & Classification
- Benefits Administration
- Central Record Keeping

FUNCTIONS

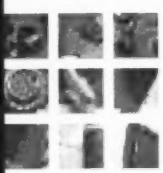
- Database Management
- Systems Development
- Technical Support

The SAMA Board of Directors (the Board) is responsible for the regulation of assessment policies and governance of the property assessment system used by all urban, northern and rural municipalities in the province. This includes oversight responsibility to ensure SAMA is regulating assessment valuation procedures, conducting assessment research, consulting on policy with the provincial government, the public, municipal governments and assessment stakeholders, confirming municipal assessment rolls, maintaining a central information database and undertaking quality assurance functions, including primary and secondary audits. SAMA consults extensively to ensure the implementation of equitable and understandable assessment policies for property owners.

BOARD STRUCTURE

For 2011, the Agency's seven-member Board of Directors, appointed by the Lieutenant Governor in Council, consisted of:

- three members named by the Ministry of Municipal Affairs including the Board Chair;
- two members named by the Saskatchewan Association of Rural Municipalities (SARM);
- one member named by the Saskatchewan Urban Municipalities Association (SUMA) for urban and northern municipalities under 30,000; and
- one member named by SUMA for cities with a population exceeding 30,000.



Board members are appointed for a maximum three-year term, and may be reappointed to subsequent terms.

The officers of the Board are the Chair and Vice-Chair. The Minister of Municipal Affairs appoints the Chair, whereas the Board elects the Vice-Chair.

The role of the Board Chair is to ensure the integrity of the Board's processes. The Chair is the only authorized Board member to act as public and media spokesman for the Board, unless specifically delegated to another Board member.

The role of the Vice-Chair is to assume the role of Board Chair when the Chair is absent or unable to act. All Board members are eligible for election as Vice-Chair.

GENERAL RESPONSIBILITIES OF THE BOARD

The Board's role is to govern SAMA's affairs within the framework of relevant legislation and standards. The Board is responsible for achievement of the Agency's mission, for its stability and for communicating with stakeholders and other organizations to ensure that issues brought forward by SAMA's clients are dealt with adequately. The Board is also responsible for ensuring that it has sufficient information to monitor major areas of corporate performance.

The Board's primary responsibilities fall within nine general areas: statutory responsibilities, planning, financial stewardship, human resources stewardship, performance monitoring and accountability, risk management, community representation and advocacy, management of critical transitional phases and complaints review.

The Board's responsibilities include:

- Overseeing development and approval of a long-term corporate plan and approving annual budgets and operating plans.
- Defining and safeguarding the organizational mission, the values framework and operating principles within which it expects the Agency to be administered, and to review these periodically.
- Selecting a Chief Executive Officer (CEO) to whom the responsibility for administration of the Agency is delegated.
- Securing sufficient resources for the Agency to finance its programs adequately.
- Being accountable to the public and funders for the services of the Agency and expenditures of funds.
- Regularly reviewing the Agency's services to ensure that they are consistent with the purpose of the Agency, and that its programs are effective and relevant to community needs.
- Representing the Agency and its programs to stakeholders, and acknowledging stakeholder concerns.

The Board focuses on strategic leadership rather than administrative detail, highlighting important policy rather than operational matters.

ACCOUNTABILITY

The Board is accountable to the Province of Saskatchewan and those municipalities that provide funds for the operation of the Agency. The Board is also accountable, in a more general sense, to exercise good stewardship of the Agency on behalf of the trust placed in it by the province, local governments, the general public and other stakeholders.

RELATIONSHIP TO STAFF

The Board provides oversight and guidance to the CEO to ensure that SAMA's staff work cooperatively to carry out the objectives of the Agency. The Board relies on the ability, training, expertise and experience of staff to plan for, and provide services within, the Agency's mandate.

As Chair of the SAMA Board of Directors, I am committed to the overall success of SAMA and the Saskatchewan assessment system in general. The decisions and the strategic directions the Board charts for the Agency will affect the assessment system in the province for years to come. This requires that SAMA be held to a high standard as the Agency seeks to fulfill its Vision and Mission. By ensuring that the Agency's objectives are being met, and that we are continually improving our business processes, the Board ensures SAMA is delivering results that directly benefit our clients.

❖ 2010-2013 STRATEGIC DIRECTIONS

In 2008, the SAMA Board established, in consultation with the Agency's funding stakeholders, five strategic directions to position and guide the Agency from 2010 through to 2013:

1. Maintain stable, long-term funding;
2. Improve quality of assessment valuations;
3. Deliver services within agreed timelines;
4. Improve work processes and technological systems; and
5. Strengthen the capabilities of all employees.

These strategic directions focus on four generic perspectives – financial expectations, client and stakeholder expectations, internal business process expectations and learning and growth expectations.

As part of translating our strategic directions into annual objectives, SAMA prepares an annual business and financial plan. This plan is prepared in consultation with our funding stakeholders, The Saskatchewan Urban Municipalities Association (SUMA), the Saskatchewan Association of Rural Municipalities (SARM) and Municipal Affairs. The annual budget is submitted to government by July 15th of the year prior to the year the budget comes into effect.

A Performance Report that tracks four main categories of performance measures (Delivery of Property Assessment Services, Quality of Property Assessment Services, Cost of Property Assessment Services and Workforce Commitment) is prepared each year, evaluating SAMA's success at achieving the goals laid out in the business and financial plan.

SAMA appreciates the input its stakeholders have provided to its planning process for 2010 to 2013. The Agency will continue consulting closely with stakeholders and listening carefully to what is needed to improve the Saskatchewan assessment system and the service the Agency provides for municipalities and the Province.

PRIORITY AREAS FOR THE BOARD IN 2011

TIMELY DELIVERY OF ASSESSMENT SERVICES

The SAMA Board is committed to ensuring the Agency remains focused on improving the timeliness of the Agency's delivery of annual maintenance changes to our clients. Increasing the volume of general reinspections completed annually is an area of concern for the Board.

BUSINESS PROCESS IMPROVEMENTS

The SAMA Board is going to continue to focus on improving business processes throughout the Agency in an effort to further improve our timely delivery of maintenance, the overall effectiveness and volume of our reinspection program and to ensure the Agency completes necessary revaluation work as efficiently and effectively as possible.

REVALUATION 2013

The upcoming 2013 Revaluation will see assessed values updated to reflect a new base date of January 1, 2011. Based on the strength of the real estate market between the last base date of June 30, 2006 and the new base date of January 1, 2011, it is anticipated that assessment shifts will be higher than any revaluation since 1997.

The SAMA Board will play an important oversight role surrounding the 2013 Revaluation, ensuring that stakeholder concerns are addressed, and that the Agency focuses on the benefits and services we can provide for our client municipalities.

MAINTAINING A STRONG FOCUS ON QUALITY

The Board oversees SAMA's independent Quality Assurance Division, which is responsible for the Roll confirmation process, undertaking assessment audits (Confirmation and Primary audits) to ensure that municipalities' assessments are prepared and administered in accordance with the requirements set out in applicable legislation. Additionally, the Quality Assurance Division is also responsible for undertaking Secondary Audits (detailed or comprehensive audits concerning matters of property assessment statutory compliance), and undertaking any assessment review assigned by the SAMA Board.

HOTEL AND MOTEL ASSESSMENT CHANGES FOR 2011

In consultation with stakeholders and property owners, the Board oversaw the revision of SAMA's hotel and motel income approach valuation models in 2011 to exclude consideration of Video Lottery Terminal (VLT) revenue and to ensure that the resulting assessments are fairer to property owners.

SAMA updated all hotel and motel assessments as part of the Agency's 2011 annual maintenance program. The revised assessments also included results from updated physical data collected as part of a general reinspection of all hotel and motel properties in 2010.

GOVERNANCE

SAMA's Board of Directors occupies a central position in the governance of the Agency. The Board's general role is to foster the organization's short and long-term success consistent with its mandated objectives and accountability to stakeholders, municipalities, the provincial government and the public. Maintaining a positive relationship with all municipalities is essential to a stable assessment base for Saskatchewan communities, and to our joint success.

Neal Hardy,
Chair, Board of Directors

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

The SAMA Board maintains advisory committees to review policies and practices respecting assessments and to make recommendations to the Board concerning those policies and practices. Three of these committees are statutory:

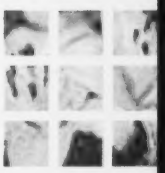
- Urban Advisory Committee, representing urban and northern municipalities under 30,000 population;
- City Advisory Committee, representing cities with a population over 30,000; and,
- Rural Advisory Committee, representing rural municipalities.

One additional committee has been established by the Board:

- Commercial Advisory Committee, representing commercial and industrial property owners and others with similar interests;

SAMA also maintains a number of administrative committees to receive input and consultation on more detailed, procedural, technical and legislative issues:

- The City Assessors/SAMA Committee is a working committee comprised of assessment professionals representing all assessment service providers in the province including SAMA, the cities of Prince Albert, Regina, Saskatoon, Swift Current and a private contractor, CD Consulting. Two SAMA Board members sit as observers on the committee.



The committee provides a venue for these assessment professionals to meet on a regular basis to communicate, examine, discuss and provide recommendations on assessment specific topics regarding provincial level assessment policy, revaluation cycle programs, reinspection programs, support of value, quality assurance and mass appraisal best practices.

The committee has established and maintains a sub-committee called the Commercial Revaluation Team that is tasked to examine and give recommendations to the committee on more technical assessment issues relating to the upcoming 2013 Revaluation.

- The Legal and Legislative Review Committee represents legal counsel and technical experts from SAMA, the Cities, the Saskatchewan School Boards Association and the provincial ministries of Municipal Affairs, Education and Justice and Attorney General. This group provides the Agency with valuable input and feedback on any proposed regulatory or legislative changes.

In addition to regular meetings of the advisory committees, SAMA holds an annual meeting, to which municipalities can send voting delegates. Business conducted at the meeting includes:

- hearing the annual report of the Board of Directors;
- considering and adopting resolutions put forth by municipalities;
- considering changes proposed by the Agency to assessment legislation; and
- considering any reports made by the Agency on matters such as assessment policy or practice and assessment administration.

CITY ADVISORY COMMITTEE - AS AT DECEMBER 31, 2011

The City Advisory Committee is responsible for cities with a population exceeding 30,000 (Moose Jaw, Prince Albert, Regina, and Saskatoon).

CITY ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Fred Clipsham, Committee Chair	SAMA Board Member, City Sector
Neal Hardy	SAMA Board Chair
John Wagner	SAMA Board Member
Glenn Hagel	City of Moose Jaw
Garry McKay	City of Moose Jaw
Cheryl Ring	City of Prince Albert
Greg Dionne	City of Prince Albert
Pat Fiacco	City of Regina
Don Barr	City of Regina
Pat Lorje	City of Saskatoon
Marlys Bilanski	City of Saskatoon
Allan Earle	Saskatchewan Urban Municipalities Association, President
Vicky Bonnell	Saskatchewan School Boards Association, Trustee
Robert Schultze	Saskatchewan Assessment Appraisers' Association

OBSERVERS:	
Vacant	Ministry of Municipal Affairs
John Edwards	Ministry of Municipal Affairs
Dan Danielson	Saskatchewan School Boards Association, Trustee
Laurent Mougeot	Saskatchewan Urban Municipalities Association, Executive Director
Ray Goruick	City of Moose Jaw
Vacant	City of Moose Jaw
Brian Moore	City of Prince Albert
Joe Day	City of Prince Albert
Deborah Bryden	City of Regina
Gerry Krismer	City of Regina
Les Smith	City of Saskatoon
Vacant	City of Saskatoon

ADMINISTRATIVE SUPPORT:	
Irwin Blank, CEO	SAMA
Shaun Cooney, Committee Secretary	SAMA

COMMERCIAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2011

The Commercial Advisory Committee is responsible for reviewing policies and practices respecting assessment, especially as they relate to commercial property, and to make recommendations to the Board concerning these policies and practices.

COMMERCIAL ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Neal Hardy, Committee Chair	SAMA Board Chair
Sharon Armstrong (non-voting)	SAMA Board Member, Urban Sector
Morgan Powell (non-voting)	SAMA Board Member, Rural Sector
Jim Angus (non-voting)	SAMA Board Member
Myron Knafelc (non-voting)	SAMA Board Member
John Kearley	Saskatoon Broadway Business Improvement District
Judith Veresuk	Regina Downtown Business Improvement District
Adrienne Jensen	Saskatoon Regional Economic Development Authority
Rob Lawrence	Association of Saskatchewan REALTORS
Vacant	Association of Saskatchewan REALTORS
James Camplin	Saskatchewan Chamber of Commerce
John Hopkins	Regina & District Chamber of Commerce
Marilyn Braun-Pollon	Canadian Federation of Independent Business
Kerry Hidalgo	Building Owners and Managers Association
Roger Leachman	Canadian Property Tax Association
Alan Thomarat	Saskatchewan Home Builders' Association
Tom Mullin	Saskatchewan Hotel & Hospitality Association
Rick Jukes	National Golf Course Owners Association, Saskatchewan Chapter
Andy Travers	Inland Terminal Association of Canada
Rod Braddock	Western Grain Elevator Association Tax Committee
Ken Marsh	Canadian Energy Pipeline Association
Devin Wegner	Canadian Association of Petroleum Producers
Randle Green	Saskatchewan Mining Association
Kevin Olmstead	Railway Association of Canada
Curt Koethler	Tourism Saskatchewan
Robert Schultze	Saskatchewan Assessment Appraisers' Association
Grace Muzyka	Saskatchewan Association of the Appraisal Institute of Canada

COMMERCIAL ADVISORY COMMITTEE MEMBERS (continued)

OBSERVERS:

Norm Magnin	Ministry of Municipal Affairs
Jeremy Karwandy	Ministry of Enterprise Saskatchewan
Cam Pelzer	Ministry of Tourism, Parks, Culture and Sport
Gerry Krismer	City of Regina
Les Smith	City of Saskatoon
Brian Moore	City of Prince Albert
Vacant	City of Moose Jaw
Cameron Duncan	City of North Battleford
Michael Kehler	City of Swift Current
Irwin Blank	SAMA CEO

ADMINISTRATION:

Gord Larson, Committee Secretary	SAMA

RURAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2011

The Rural Advisory Committee is responsible for rural municipalities.

RURAL ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
John Wagner, Committee Chair	SAMA Board Member, Rural Sector
Neal Hardy	SAMA Board Chair
Morgan Powell	SAMA Board Member, Rural Sector
Jim Angus	SAMA Board Member
Allan LaRose	R.M. of Hazelwood No. 94
Delbert Schmidt	R.M. of Longlaketon No. 219
Vacant	R.M. member
David Popowich	R.M. of Good Lake No. 274
Gordon Meyer	R.M. of Progress No. 351
Doug Oleksyn	R.M. of Shellbrook No. 493
Darryl Senecal	Saskatchewan Association of Rural Municipalities, Board Member
George Watson	Provincial Association of Resort Communities
Janet Foord	Saskatchewan School Boards Association, Trustee
Roger Frey	Saskatchewan Assessment Appraisers' Association

OBSERVERS:	
Janet Laich	Ministry of Municipal Affairs
Dale Harvey	Saskatchewan Association of Rural Municipalities, Executive Director
Maureen Sample	Saskatchewan School Boards Association, Administrator
Kim McIvor	Rural Municipal Administrators Association of Saskatchewan
Barb Zelinski	R.M. of Corman Park No. 344, Administrator
Irwin Blank	SAMA CEO

ADMINISTRATIVE SUPPORT:	
Steve Suchan, Committee Secretary	SAMA

URBAN ADVISORY COMMITTEE - AS AT DECEMBER 31, 2011

The Urban Advisory Committee is responsible for urban and northern municipalities, excluding cities with a population exceeding 30,000.

URBAN ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Sharon Armstrong, Committee Chair	SAMA Board Member, Urban Sector
Neal Hardy	SAMA Board Chair
Fred Clipsham	SAMA Board Member, City Sector
Myron Knafelc	SAMA Board Member
Malcolm Eaton	City of Humboldt
Ron Beatty	City of Estevan
Fran Passmore	Town of White City
Paul Topola	Town of Assiniboia
Roni Goulet	Village of Buena Vista
Randy Christie	Village of Dysart
Allan Earle	Saskatchewan Urban Municipalities Association, President
Vern Noble	Provincial Association of Resort Communities of Saskatchewan
Grant Gustafson	Saskatchewan School Boards Association, Trustee
Michael Kehler	Saskatchewan Assessment Appraisers' Association

OBSERVERS:	
Kelly Munce	Ministry of Municipal Affairs
Laurent Mougeot	Saskatchewan Urban Municipalities Association, Executive Director
Curt Van Parys	Saskatchewan School Boards Association, Administrator
Rodney Audette	Urban Municipalities Administrators Association of Saskatchewan
Garry McKay	City of Weyburn, Commissioner
Irwin Blank, CEO	SAMA

ADMINISTRATIVE SUPPORT:	
Todd Treslan, Committee Secretary	SAMA

SAMA

Saskatchewan Assessment Management Agency

EXECUTIVE 2011 REPORT

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

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EXECUTIVE 2011 REPORT

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

Back Row L to R: George Dobni, Managing Director, Finance; Gordon Senz, Managing Director, Quality Assurance; Steve Suchan, Managing Director, Technical Standards and Policy; Brad Korbo, Managing Director, Assessment Services.
Front Row L to R: Penny Gingras, Executive Assistant; Irwin Blank, Chief Executive Officer; Betty Rogers, Managing Director, Administration.

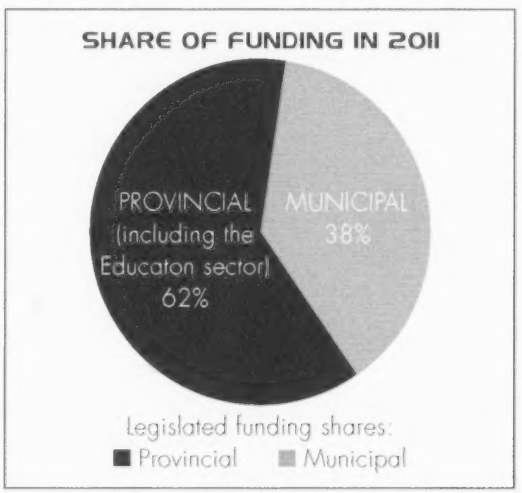
SAMA is responsible for a property assessment base of over $94 Billion that was used to provide revenue to municipalities and the education sector of $1.40 Billion in 2011. Through the governance of the overall assessment system in Saskatchewan and the provision of assessment services to our 756 client municipalities, the Agency provides a financial foundation for municipalities and the education sector that they can use to establish and sustain local programs and services. By maintaining an assessment system that has reasonable costs, and delivering comprehensive, professional, and equitable assessment service to all municipalities, SAMA supports continued local autonomy for municipalities whether small or large.

2011 was a year of success and challenges for SAMA. The Agency was challenged from a budget perspective, but through the dedication and ingenuity of all of our staff and our Board, SAMA saw increases to productivity in many areas. SAMA is committed to continually improving our business processes to maximize the benefit to our clients, and we saw this in 2011 with record highs in completed maintenance, all the while maintaining the lowest cost per property of any provincial jurisdiction in Canada. The agency is successfully maintaining a smaller and more efficient workforce, and business process improvements have allowed the agency to improve services with a reduced workforce. With record growth in the province over the past few years, the Agency is committed to supporting that growth by ensuring we are maintaining a stable and accurate assessment system for our clients in the province.

2011 BUDGET AND FUNDING FORMULA

For 2011, SAMA made a budget request to government that would have seen a $287,000 or 1.8% increase over the Agency's 2010 budget of $15.78 million. In March of 2011, SAMA received word from government that the Agency would not receive any additional funding revenue for 2011. SAMA's 2011 operating budget, excluding the City of Moose Jaw contract, remained at the 2010 level of $15.78 million.

SAMA operates under a 65:35 funding formula, with government (Ministry of Municipal Affairs) paying up to 65% of SAMA's budget, and the municipal sector paying 35% of SAMA's budget through municipal requisitions. This funding formula includes a cap on total municipal requisitions, which remains in effect until government reaches their 65% portion of total SAMA funding.



Total municipal requisitions have remained unchanged at $5,788,000 since 2004. Recent legislative changes also allow SAMA to enter into special agreements with municipalities who may want additional services over and above that provided within basic requisition formula services.

In 2011, funding shares were maintained at 62% Provincial and 38% municipal. The Provincial portion of funding includes the 30% portion of SAMA's funding that had been provided by the education sector, prior to the government taking over administration of education funding in 2010.

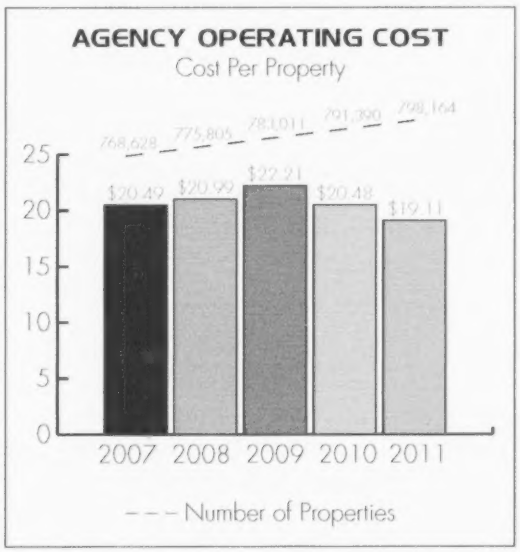
With over 75% of the Agency's costs related to staff, SAMA had to balance the books with no increase in funding in 2011 by not filling a number of positions vacated throughout the year. This very conservative hiring policy allowed the Agency to end the year in a surplus position. We were able to replenish a portion of SAMA's reserves that had been depleted by job abolishment related costs in 2010, when SAMA reduced its permanent workforce from 178 to 152 positions.

OPERATING COSTS

SAMA is responsible for providing quality, efficient and cost effective assessment valuation services to client municipalities and the education sector.

The agency has reduced operating costs per property by 14% over the past two years – from $22.21 per property in 2009 to $19.11 per property in 2011.

While operating costs have been reduced, the implementation of Lean business process improvements over the past three years has effectively offset any significant negative impact on the agency's services to client municipalities and the province.



LEAN PHILOSOPHY

In 2008, SAMA embarked on a business process improvement strategy called the Lean philosophy. Lean is aimed at engaging the talents of the Agency's people to eliminate waste, and create value for the customer. It is a common sense approach to working with complex processes ensuring that clients' and stakeholders' needs are successfully met.

The Goals of Lean at SAMA are:

- A 25% increase in efficiency and productivity between 2009 and 2013;
- Highly engaged staff, that take ownership of the business processes; and
- An Agency in a much better position to meet the increasing demands from clients.

One of Lean's strengths is its focus: the people most familiar with the actual work determine the necessary process improvements and plan the necessary changes. Significant progress has been achieved to date. Lean process improvement initiatives will continue to be a focus for SAMA in 2012 and beyond.

ECONOMIC GROWTH IN SASKATCHEWAN

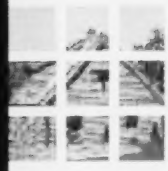
Positive economic growth for Saskatchewan in 2011 resulted in significant growth in property assets in Saskatchewan municipalities. The assessment of additional property assets increases the revenues available to municipalities for municipal services, and to the education sector.

The agency assessed 42,071 residential, commercial and agricultural properties, and 74,672 industrial properties, under the maintenance program. A total of 116,743 properties were reviewed under the maintenance program in 2011. This maintenance work will result in additional annual and recurring property tax revenues of an estimated $7.2 million for municipalities, and $4.9 million for the education sector in 2012.

In addition to SAMA's maintenance program, the agency reinspected 5,419 properties for use on 2012 municipal assessment rolls. This will result in additional annual and recurring property tax revenues of an estimated $1.2 million for municipalities, and an estimated $800,000 for the education sector.

REVALUATION 2013

SAMA conducts revaluations based on a four-year cycle. 2009 was the year of the last revaluation, and the 2013 Revaluation will see assessed values updated to reflect a new base date of January 1, 2011. The base date is the date to which all assessed values are related. Based on the strength of the real estate market between the last base date of June 30, 2006 and the new base date of January 1, 2011, assessment shifts are expected to be higher than any revaluation since 1997.



Although local governments and the provincial government already have the authority to mitigate overall/average assessment changes through their annual budget and mill rate processes, all parties will need as much time as possible to examine the assessment shifts and make tax policy decisions prior to 2013.

To mitigate this risk SAMA plans to ensure that assessment trends and associated impacts are communicated to government and our municipal clients as soon as possible in the market analysis process. SAMA will be submitting preliminary assessment values to the province on or before April 1, 2012. The preliminary 2013 property values will be distributed to municipalities in June 2012 after all the 2012 maintenance work has been completed and incorporated into the 2013 preliminary assessments.

PRELIMINARY ASSESSED VALUES FOR 2013

The result of the active and strong real estate market in Saskatchewan since the 2009 Revaluation will bring with it significant increases to property assessments that will be reported with the 2013 Revaluation.

Based on the provincial averages for all SAMA jurisdictions, preliminary numbers indicate that residential properties will, on average, be increasing approximately 85%, and resort residential properties will, on average, be increasing approximately 100% over their assessed values from the 2009 Revaluation. It is important to note that this is the anticipated increase to the provincial average for residential and resort property. Specific local increases in residential property values between 2009 and 2013 may vary substantially from this figure depending on the overall trend in market values between June 30, 2006 (the base date for the 2009 revaluation) and January 1, 2011 (the base date for the 2013 revaluation).

Agricultural land will see an increase of approximately 50% to assessed values, which reflects the 2006 to 2011 change in the provincial average selling price of agricultural land.

Industrial property, which includes oil and gas, mines, heavy industrial and institutional property, is set to increase an average of 15%. All other commercial property is set to increase an average of 70%. Certain categories of commercial property may increase substantially more or less than the provincial average depending on the type of property.

All preliminary value trends are estimations, and are subject to change prior to 2013.

REVENUE NEUTRALITY

While a revaluation updates property assessments, it is designed to be revenue neutral on an overall municipal budget basis.

Provided that a municipality's budget requirements remain the same in a revaluation year as in the previous year, changes in taxable assessments will only result in changes to tax levels if a property's assessment increases or decreases substantially, relative to the average for that jurisdiction.

Based on the current provincial government practice of establishing common provincial education mill rates, potential education tax shifts will be based on how a specific assessment change relates to the overall provincial average increase in assessments for that same category of properties.

LOOKING FORWARD TO 2013 - WHAT'S NEXT?

SAMA's goal to communicate value changes well ahead of the 2013 Revaluation allows municipalities and government time to review and provide feedback on the preliminary values and generate policies and budgets with as much information as possible.

SAMA expects government to announce the 2013 percentages of value for each property tax class in early fall 2012, communicating them with SAMA and other independent assessment service providers so that we can prepare final assessed values for 2013.

The Agency will complete the final assessments and prepare to send out updated values by the end of 2012. We will work closely with our client municipalities to meet their needs regarding these new values. SAMA will be completing maintenance in the last part of 2012 to be ready to implement the revaluation in 2013.

The Agency will be making full use of SAMAView, our website application that allows the general public access to individual property assessments for all SAMA client jurisdictions, to communicate assessed values for the 2013 Revaluation. However, SAMA will not post any final 2013 revaluation property assessments on SAMAView prior to 2013 when they will have been seen by government and the majority of municipalities.

2011 MUNICIPAL REQUISITION

Client municipalities pay a requisition fee for SAMA's assessment services. The total requisition in 2011 was $5.8 million. Rural and urban portions of the requisition are kept separate. Consequently, changes in the numbers of urban properties impact only on urban municipalities while changes in the number of rural properties impact only on other rural municipalities. The total amount collected by SAMA from our client municipalities remains fixed at $5.8 million.

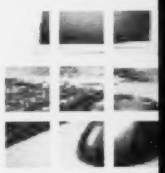
HOTEL AND MOTEL ASSESSMENT CHANGES FOR 2011

SAMA revised the hotel and motel income approach valuation models in 2011 to ensure that they are more understandable to property owners, with particular regard for adjustments to non-realty components. Non-realty value includes, but is not limited to, personal property, such as furniture, fixtures and equipment and management costs. SAMA also set aside Video Lottery Terminal (VLT) revenue for assessment purposes.

SAMA's goal is for non-realty components to be appropriately identified and removed to ensure that assessments reflect land and building value only.

Hotel properties that have limited room rental are now valued using the cost approach to value with one exception: in municipalities where the income approach is applied to commercial property in general, SAMA applies comparable market rents for hotels with limited room rental. These adjustments improve the equity between hotels with limited room rental and comparable properties such as taverns and lounges located in the same community.

There also exist differences between the way hotel owners account for and report income and expenses, and the way that income and associated expenses should be applied in the assessment industry to calculate an assessed value on a property, exclusive of any going concern value. A going concern value is a value that contains both realty – assessable – and non-realty – non-assessable – components. SAMA uses a series of adjustments to account for this difference.



To implement these improvements, SAMA revised and updated all hotel and motel assessments as part of the Agency's 2011 annual maintenance program. The revised assessments included results from updated physical data collected as part of a general reinspection of all hotel and motel properties in 2010.

ASSESSMENT SERVICES

The Assessment Services Division provides valuation services to 756 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 798,000 properties in the province. Core processes include annual maintenance, revaluations (every four years), support of value and general reinspections.

SUPPORT OF VALUE

SAMA provides its client municipalities with property assessment expertise to validate assessments at open houses and ratepayer/council meetings, and all levels of appeal (Board of Revision, Saskatchewan Municipal Board and Court of Appeal). SAMA also identifies and monitors precedent-setting assessment appeals that may have policy or procedural implications.

In 2011, a total of 755 property assessment appeals were filed with local Boards of Revision, 83% were withdrawn or resolved through agreements to adjust, and 20 of those heard by the Boards of Revision were appealed to the Saskatchewan Municipal Board.

PROPERTY INSPECTION PROGRAMS

SAMA maintains detailed property assessment records under the annual maintenance program and the general reinspection program. The annual maintenance program ensures that individual properties with changes are inspected and new assessment values are calculated. Periodically, all properties in a municipality can be reviewed under the general reinspection program. As a result of budget reductions in 2010 and no change to the budget in 2011, and SAMA's subsequent reduced staffing levels, there were significant reductions in reinspection activity in 2010 and 2011.

The following is a summary of reinspection activities conducted by SAMA in 2011:

- reinspection of 627 agricultural parcels (quarter sections);
- reinspection of 328 building improvements;
- reinspection of 320 industrial properties;
- general reinspections implemented in 5 rural and 2 urban municipalities; and
- general reinspections initiated in 1 urban municipality.

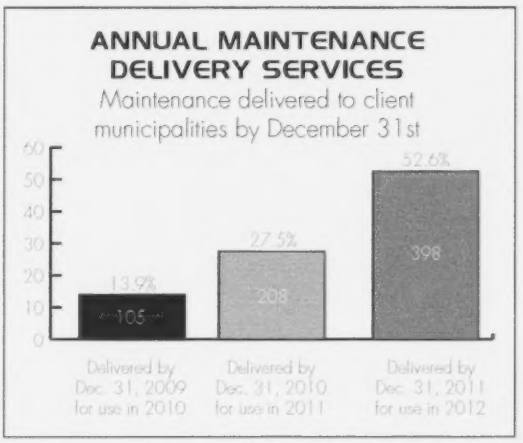
SAMA initiated a program in 2010 to review commercial property assessments in client municipalities. In 2011, 4143 properties were inspected as part of this program.

2011 MAINTENANCE

The annual maintenance program reviews and updates properties with changes that may affect the property's assessed value. The municipality submits a list of the properties affected, and the agency reviews each property and provides the municipality with an updated assessed value for their assessment roll.

42,071 non-industrial property assessments were updated (20,489 reviewed for 2011 municipal rolls, and 21,582 reviewed for 2012 municipal rolls), and 74,672 industrial property assessments were updated under the annual maintenance program.

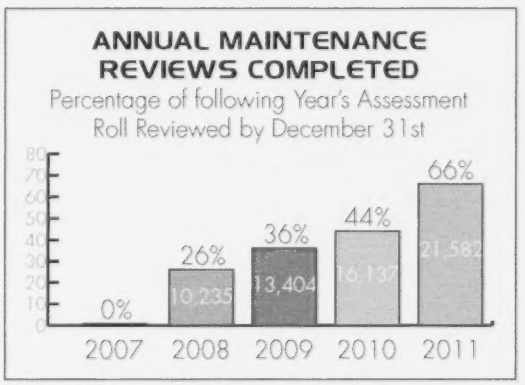
SAMA continued to make progress at improving the timeliness of assessment maintenance service in 2011. As a result of process improvements, 2011 maintenance commenced earlier than 2010 maintenance work. However, because of an error in a source file SAMA received from an outside vendor, oil and gas well maintenance reviews in over 140 municipalities were affected, setting back the maintenance program by approximately two months. Despite this setback, 78 percent of maintenance parcels were completed as of March 1, 2011. 631 client municipalities (83%) received their annual maintenance by March 31, 2011, which is one month before the legislated May 1st deadline for preparation of their municipal assessment roll.



Significant and steadily improving progress has been made since the 2008 assessment roll when no annual maintenance was delivered to client municipalities by December 31, 2007.

2012 Maintenance commenced in May 2011, with an objective to continue to improve and advance the timeliness of maintenance delivery relative to 2009 to 2011 delivery deadlines.

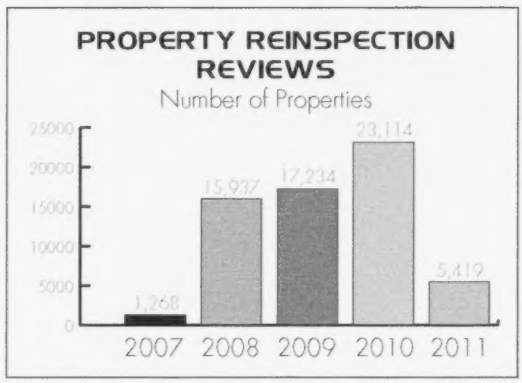
SAMA's long-term target is to deliver 100% of the following year's maintenance by December 31 of the previous year. In 2011, the Agency had mailed maintenance packages to 398 clients and had another 40 packages ready to be mailed by December 31, 2011. This is a significant improvement from 2011 maintenance delivery when we had mailed 208 maintenance packages to clients as of December 31, 2010.



The positive effects of Lean process improvements on SAMA's maintenance work are shown in the increases to the amount of maintenance reviews for the following year SAMA completed in the current year.

REINSPECTION PROGRAM

Over time property assessments become dated because of property improvements, and gradual wear and tear, that are not identified through an annual maintenance review. The general reinspection program undertakes to review each property to re-establish a uniform base of up-to-date property records for the municipality.



The agency originally planned for a significant increase in property reinspections to 31,900 properties, but in the first quarter of 2011, the agency's property reinspection plan was reduced to 8,798 properties. This reduction in the reinspection program was due to the 14% workforce reduction the Agency experienced in 2010.

SAMA completed 5,419 property reinspections in 2011, which was 61.6% of the adjusted 2011 plan.

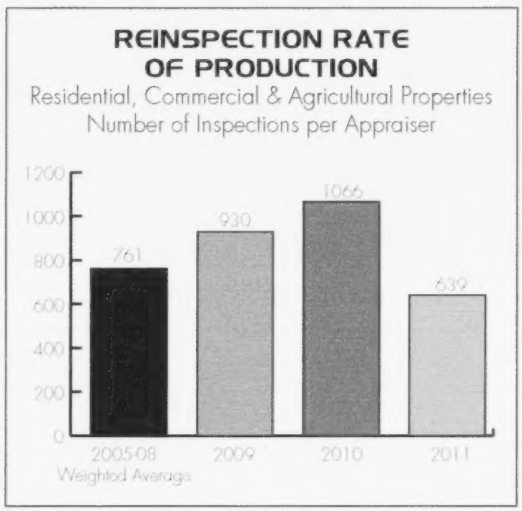
While reduced significantly from what was planned due to funding reductions, the agency still reinspected over four times the number of properties than were reinspected in 2007, the most recent comparable year in the previous four-year property revaluation cycle.

The reduced reinspection program focused primarily on commercial properties and the agency's commitment to reinspect all commercial properties.

Over the past three years appraiser efficiency has progressively improved as a result of implementation of Lean business process improvements.

Property reinspection productivity increased 40% from 761 to 1066 properties per appraiser by 2010, surpassing the 25% increase targeted to be achieved by 2011.

In 2011, the rate of production dipped to 639 properties per appraiser. This reduction has been attributed to the unique nature of the 2011 reinspection program with a focus primarily on more complex commercial property reinspections.

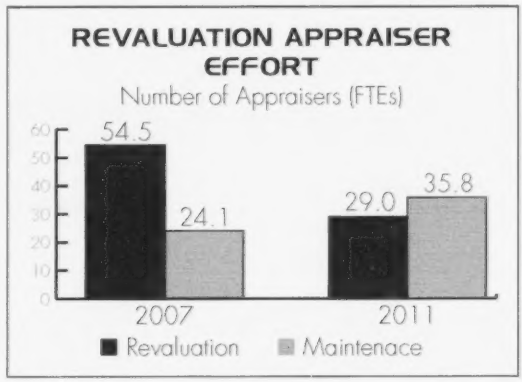


REVALUATION PROGRAM

Business process improvement changes to the sales verification and market analysis processes have resulted in a 47% reduction in appraiser time on revaluation activities compared to 2007, which is the comparable year in the previous four-year revaluation cycle.

In 2011, the agency utilized 29.0 Full Time Equivalents (FTEs) on the revaluation program compared to 54.5 FTEs in 2007 – a reduction of 25.5 FTEs.

The 25.5 FTEs savings from the revaluation program were utilized to deliver the 54% volume increase in the annual maintenance program (11.7 FTEs), and in the reinspection and support of value programs (5.6 FTEs). The remainder of the positions were abolished in 2010.



2013 REVALUATION

In 2011, the Assessment Services Division focused on sales verification and market analysis, in all SAMA jurisdictions, in order to prepare preliminary values for the 2013 Revaluation.

THE COMPETITIVE ASSESSMENT ENVIRONMENT

Since 1995, a provision in *The Assessment Management Agency Act* has been made available that allows municipalities, other than the four major cities of Moose Jaw, Prince Albert, Regina and Saskatoon to use alternative assessment services.

In November 2004, the Province amended this legislation to require that municipalities wishing to undertake their own valuation services receive written consent from all affected school divisions and SAMA. Before this amendment, municipalities were only required to consult with school divisions and receive the written consent of SAMA.

As of May 2010, SAMA and the Minister of Education's consent are now needed for a municipality to opt out, or opt back into, SAMA's valuation services. Any municipality that carries out its own valuations and revaluations is not required to make requisition payments to the Agency.

Jurisdictions that employ their own appraisal personnel still must follow SAMA's assessment procedures and guidelines.

The cities of Saskatoon, Regina, Prince Albert and Swift Current do not use SAMA's valuation services. In 2006, the city of Moose Jaw entered into a long-term assessment services contract with SAMA. As of January 1, 2012, 14 other urban municipalities did not use SAMA's valuation services.

2011 CLIENT MUNICIPALITY SURVEY

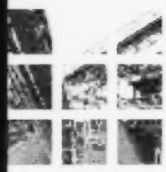
The agency conducts a biannual survey of client municipalities to determine their level of satisfaction with the agency's services and their knowledge about the property assessment system.

For 2011, SAMA's client municipalities answered "Very Satisfied" at 77%, or "Satisfied" at 22%, for a total 99% positive rating to the statement, "How satisfied were you with the quality of customer service you received." This improved from 2009 when client municipalities answered "Very Satisfied" at 70%, and "Satisfied" at 26% for a total 96% positive rating.

For 2011, SAMA's client municipalities answered "Excellent" at 40%, or "Good" at 52% for a total 92% positive rating to the statement, "How would you rate the job SAMA has done in the area of maintenance?" This improved from 2009 when the client municipalities answered "Excellent" at 30% and "Good" at 51% for a total 81% positive rating.

For 2011, SAMA's client municipalities answered "Definitely" at 81%, or "Probably" at 17% for a total 98% positive rating to the statement, "How likely would you recommend SAMA services to others in the same position/job as you?" This improved from 2009 when the client municipalities answered "Definitely" at 59%, and "Probably" at 29% for a total 88% positive rating.

TECHNICAL STANDARDS AND POLICY



The Technical Standards and Policy Division (TS&P) is responsible for researching and studying assessment valuation policy and best practices with regards to application of province-wide assessment valuation standards and policies. This involves considerable consultations with the Province, clients and stakeholders to ensure transparency and support on assessment policy matters. As part of this liaison process, TS&P is involved in the provision of assessment information to the Province, municipalities, school divisions and the public.

The TS&P division advises the Board and the Province with respect to property assessment legislation, prepares assessment related Board Orders, and also prepares manuals, guidelines, handbooks and other materials required in the assessment of property. Valuation materials may be revaluation cycle specific; such as the regulated *Assessment Manual* and the non-regulated *SAMA Cost Guide*, or may not be tied to a specific revaluation cycle, such as the non-regulated *Market Value Assessment in Saskatchewan Handbook*.

TS&P is responsible for liaising with independent assessment service providers regarding assessment policy and valuation practices. These activities include quality coordination and control activities to ensure consistent application of assessment valuation practices, which includes facilitating and overseeing the provincial revaluation cycle that occurs every four years. Further to this, TS&P provides technical support for assessment service providers that use SAMA's computerized assessment valuation system, the Saskatchewan Property Assessment Network (SPAN).

TS&P's also has a leadership role in identifying new computer based technologies to improve the efficiency of SAMA's mass appraisal processes as well as accuracy of assessments.

NEW PUBLICATIONS

The SAMA Board of Directors has approved two new publications for use in preparing 2013 Revaluation assessments:

1. *Saskatchewan Assessment Manual (2011 Base Year)*
2. *SAMA's 2011 Cost Guide*

SAMA also uses the *Market Value Assessment in Saskatchewan Handbook* (Handbook) for valuing properties to meet the market valuation standard. SAMA's stakeholders, through the Agency's advisory committees, reviewed and contributed to these publications. The *Saskatchewan Assessment Manual* has the force of regulation and must be complied with, while the Cost Guide and Market Value Handbook do not – they are documents within the market valuation standard.

There are two parts in the *Saskatchewan Assessment Manual*. Part I, "Median Assessed Value to Sale Price Ratio," and Part II, "Regulated Property." Part I of The Saskatchewan Assessment Manual relates to Quality Assurance and applies to properties that fall under the market valuation standard in the Municipal Acts. Part II of the manual contains the formulas, rules and procedures that must be followed to value properties that fall under the regulated property assessment standard in legislation.

The five chapters in Part II of the *Saskatchewan Assessment Manual* are used to value agricultural land, heavy industrial property, railway roadway, pipelines and resource production equipment (mines and oil and gas wells).

SAMA's 2011 Cost Guide is a non-regulated document to be used as a reference for SAMA assessment appraisers and the public regarding the application of the cost approach for the valuation of vacant urban land, residential property and selected commercial property for the 2013 Revaluation.

The *Market Value Assessment in Saskatchewan Handbook* provides guidance for the assessment of market valuation standard properties with a focus to commercial property and the property income (rental) approach. The Handbook is being updated to better reflect legislation and the market valuation standard in the province, which specifically requires the use of mass appraisal processes. The Handbook Update project, which is expected to be completed in mid-2012, has a limited scope and will not impact assessment work already completed for the 2013 revaluation.

Similar to the *SAMA's 2011 Cost Guide*, the handbook is a non-regulated document. It is intended as a reference tool for assessment appraisers and the public in determining assessments for the 2013 Revaluation.

Hard copies of these publications will be provided for a fee that covers the cost to print the documents and any applicable licence fees, and will include an update service.

The *Market Value Assessment in Saskatchewan Handbook*, portions of the *Saskatchewan Assessment Manual (2011 Base Year)* and *SAMA's 2011 Cost Guide* for which a licence fee is not payable, are available free of charge on SAMA's Internet site (www.sama.sk.ca).

OTHER COST GUIDES

When applying the cost approach, assessment service providers may refer to publications from Marshall & Swift/Boeckh, LLC., a recognized industry leader in costing of commercial and residential property. SAMA uses the Marshall Valuation Service for the majority of commercial properties valued using the cost approach. *The Residential Cost Handbook* can be used for estimating replacement costs for both single and multi-family residences. SAMA's Cost Guide, the Handbook and Marshall and Swift's Marshall Valuation Service complement each other in regards to the application of the cost approach.

INFORMATION SERVICES

In 2011, the Information Services Branch (IS) continued to focus on ensuring the Agency is served by modern and efficient technology.

Internally, Information Services continued to improve its service delivery to the Agency using Lean methods and tools, and focusing on high value, effective initiatives.

SAMAVIEW

SAMAView, the Agency's website application that visually presents assessment information, using easy to understand maps, empowers the Agency to efficiently communicate to the public relevant revaluation and property assessment information.

KEY 2011 INITIATIVES FOR BUILDING FUTURE TECHNOLOGY CAPACITY INCLUDE:

- Govern Upgrade (Govern Income Implementation) – SAMA's Govern software system is a Computer-Assisted Mass Appraisal (CAMA) system that centralizes information critical to the organization's processes.
- Upgrade of SAMAView which is currently utilized by rate payers to review their assessments online. The application will be upgrade to include more information to serve ratepayers better.
- Continue to use virtual server technology to better utilize the computer resources SAMA owns.
- 2013 Revaluation – SAMA's IS division is working to prepare for the upcoming 2013 Revaluation.
- Improve network response time and availability.

HUMAN RESOURCES

As of January 2012, the Agency employed 158.25 permanent positions, 116.5 of which were in the Assessment Services division, and six of which were part of our assessment service contract with the City of Moose Jaw.

Items of note for 2011:

- Ratification of the SGEU collective bargaining agreement until December 31, 2012.
- Conducted Employee Satisfaction Survey and feedback meetings.
- Piloted temporary Assistant Manager training program.
- Held Agency-wide staff meeting in September.

WORKFORCE PLANNING

The Agency continues to address workforce planning by:

- Recruiting people with the right type of attitude and motivation that are committed to their work, and building a high performance work environment that helps retain key talent and fully engages the right people.
- Enhancing the Agency's retention and leadership succession planning to build and sustain a healthy and viable organization.

SAMA remains committed to working with Lakeland Community College in Vermilion, Alberta to recruit new personnel. The Agency continues its:

- $5,000 sponsorship program for a limited number of second-year students at Lakeland Community College (students sign an employment commitment to SAMA);
- $500 annual bursary, awarded to a first-year student with the highest grade point average in assessment appraisal studies.

EMPLOYEE SURVEY

In 2011, SAMA conducted its third on-line survey, providing employees with an opportunity to assist the Agency in planning new initiatives and programs, and to measure what gains have been made in the level of employee satisfaction from the previous surveys in 2009 and 2007. The survey had an excellent participation rate of 85%. The overall level of employee satisfaction reported in the 2011 survey was 3.54, which is below the 2009 overall satisfaction rating of 3.61. All scores were rated on a 5-point scale with 1 being the lowest level of satisfaction, and 5 being the highest.

The survey measured 6 dimensions of the work environment:

- Rewards
- Leadership
- People
- Work Processes
- Information and Knowledge
- Change Management

The employee survey and subsequent feedback meetings resulted in many excellent ideas and suggestions. Several issues are being addressed through processes and changes already in progress, while the more complex issues require further planning for long-term success.

Another employee survey is planned for 2013 to check progress on the Agency's goal of becoming a best practices organization.

❖ EMPHASIS ON TRAINING AND PROFESSIONAL ACCREDITATIONS

Throughout 2011, SAMA continued to place significant emphasis on training and development for all employees. SAMA's employees continue to have considerable success with their attainment of professional accreditations.

The success of SAMA's efforts in providing property assessment services within Saskatchewan depends on the knowledge, skills and expertise of our employees, and the Agency's ability to attract and retain a talented and skilled workforce in a highly competitive market.

❖ COMMUNICATIONS

In 2011, SAMA's Communications Branch was focused on preparing the Agency for the 2013 Revaluation by creating an Agency communication plan, and updating our educational literature.

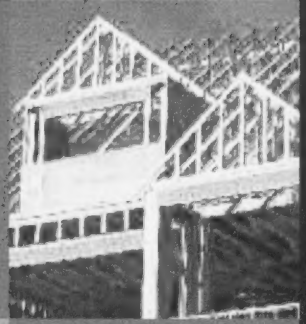
The Communications branch has also continued to focus on improving our internal communications through the publication of a quarterly newsletter, the SAMA Insider.

❖ NEW WEBSITE REDESIGN

SAMA launched a new redesigned and updated website in November, 2011.

As well as a visual overhaul, the redesigned website incorporates some new menu features including a more user friendly, client-oriented interface.

SAMA is committed to ensuring that the Agency is served by modern and efficient technology. From a communications perspective, SAMA's website is a vital part of how we communicate with our stakeholders, our client municipalities and the public.

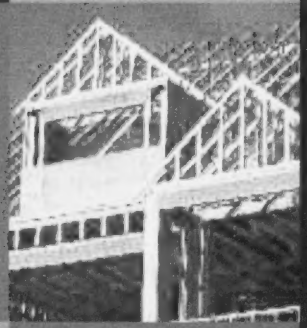


SAMA

Saskatchewan Assessment Management Agency

FINANCIAL 2011 REPORT

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN



SAMA

Saskatchewan Assessment Management Agency

FINANCIAL 2011 REPORT

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

OPERATING REVENUES

Operating revenues decreased by $307,035 or 1.9% to $16,144,225, down from $16,451,260 in 2010.

- The provincial grant and municipal requisition remained at 2010 levels of funding. The total cost to municipalities for funding SAMA has not increased since 2004.
- Restricted grant revenue for the income approach to value project decreased by $229,963 over 2010 to nil in 2011. Provincial government funding for the development of the income approach ended in 2009 but there were unspent resources drawn down in 2010.
- Fees revenues decreased by $56,995 from 2010 primarily because of reduced sales of assessment information.

OPERATING EXPENSES

Total operating expenses decreased by $1,107,434 or 6.7% to $15,523,348 from $16,630,782 in 2010.

- Salaries and benefits decreased by $1,091,973 over prior year as SAMA's staff complement was reduced from 178 positions to 152 during the 2010 fiscal year.

OPERATING SURPLUS AND RESERVE ALLOCATION

The Agency recorded an operating surplus of $490,222 in 2011 after $130,655 was transferred to the capital fund for purchase of capital assets.

- The balance of the operating surplus was primarily targeted to replenishing Agency reserves which were depleted in 2010 to provide for the payment of severance packages to employees.
- Allocations in 2011 returned the reserves total to a more acceptable level of $1,183,978, as compared to $781,077 in 2010. Healthy reserves will allow the Agency to address future one-time expenditures.
- The 2011 surplus was primarily generated by not filling a number of vacant positions throughout the year and savings from reduced travel and computer expenses.
- The net increase of $402,901 in reserves, after 2011 reserve expenditures of $212,099, is targeted to either deferred, necessary or committed expenditures in 2012 and include the following:
    - $135,000 for the purchase of computer consultants and hardware
    - $355,000 for temporary employees to work on sales verification activities and provide additional Industrial Operational and Administrative support
    - $50,000 for external legal counsel to provide for support of values in 2012
    - $75,000 for imagery required for future reinspection programs and $15,000 for regional furniture and equipment.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Saskatchewan Assessment Management Agency

We have audited the accompanying financial statements of Saskatchewan Assessment Management Agency, which comprise the balance sheet as at December 31, 2011, and the statements of revenues and expenses and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Assessment Management Agency as at December 31, 2011, its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

February 24, 2012
Regina, Saskatchewan

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

BALANCE SHEET

As at December 31, 2011

	2011	2010
CURRENT ASSETS		
Cash	$ 414,675	$ 104,942
Accounts receivable and accrued interest	147,973	101,848
Municipal requisition receivable	3,057	15,823
Province of Saskatchewan grant receivable	1,391,250	1,391,250
Prepaid expenses	245,131	255,458
	2,202,086	1,869,321
CAPITAL ASSETS (Note 4)	2,124,745	2,850,726
INTANGIBLE ASSET (Note 5)	66,185	110,308
	$ 4,393,016	$ 4,830,355
CURRENT LIABILITIES		
Accounts payable	$ 766,450	$ 862,707
Deferred revenue	56,274	117,474
Current portion of deferred contributions related to SPAN (Note 6)	578,752	578,752
Current portion of obligation under capital lease (Note 7)	58,502	54,288
	1,459,978	1,613,221
DEFERRED CONTRIBUTIONS RELATED TO SPAN (Note 6)	1,157,501	1,736,253
OBLIGATION UNDER CAPITAL LEASE (Note 7)	15,322	73,824
	2,632,801	3,423,298
NET ASSETS		
Capital fund	380,853	517,917
Operating fund		
Reserves (Note 8)	1,183,978	781,077
Unrestricted	195,384	108,063
	1,379,362	889,140
	1,760,215	1,407,057
	$ 4,393,016	$ 4,830,355

See accompanying notes

APPROVED BY THE BOARD

..... Director

..... Director

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE - OPERATING FUND

Year ended December 31, 2011

	Budget 2011 (Unaudited)	Actual 2011	Actual 2010
REVENUES			
Province of Saskatchewan operating grant	$ 9,851,950	$ 9,565,000	$ 9,565,000
Province of Saskatchewan restricted grant	-	-	229,963
Municipal requisitions	5,787,730	5,795,487	5,798,343
Fees	245,000	263,473	320,468
Interest	120,000	12,077	5,604
Appraisal and assessment services	484,200	449,976	465,952
Miscellaneous	50,500	58,212	65,930
	16,539,380	16,144,225	16,451,260
EXPENSES			
Aerial photography	86,940	35,871	60,000
Bank charges	17,510	30,154	20,652
Communications	21,210	17,342	30,079
Computer software and supplies	1,189,560	956,551	895,521
Insurance	24,780	18,837	19,336
Land titles information	247,780	201,002	193,719
Office	576,030	379,892	452,762
Printing	212,060	113,953	88,448
Professional	143,660	208,296	213,181
Rent	915,380	957,651	898,539
Salaries and benefits	11,912,280	11,809,337	12,901,310
Staff training and development	241,250	206,362	204,380
Travel and accommodation	729,310	588,100	652,855
	16,317,750	15,523,348	16,630,782
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	221,630	620,877	(179,522)
Inter-fund transfers			
Capital asset purchases	(136,330)	(130,655)	(385,226)
Intangible asset purchase	-	-	(120,336)
Operating fund balance, beginning of year	781,077	889,140	1,574,224
Operating fund balance, end of year	866,377	1,379,362	889,140
Reserves (Note 8)	(781,077)	(1,183,978)	(781,077)
UNRESTRICTED FUND BALANCE, END OF YEAR	$ 85,300	$ 195,384	$ 108,063

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE - CAPITAL FUND

Year ended December 31, 2011

	2011	2010
REVENUES		
Province of Saskatchewan restricted grant (Note 6)	$ 578,752	$ 578,752
EXPENSES		
Amortization of capital assets (Note 4)	802,348	885,964
Amortization of intangible asset (Note 5)	44,123	10,028
DEFICIENCY OF REVENUES OVER EXPENSES	(267,719)	(317,240)
Inter-fund transfers		
For purchase of capital assets	130,655	385,226
For purchase of intangible asset	-	120,336
CAPITAL FUND, BEGINNING OF YEAR	517,917	329,595
CAPITAL FUND, END OF YEAR	$ 380,853	$ 517,917

See accompanying notes

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF CASH FLOWS

Year ended December 31, 2011

	2011	2010
OPERATING		
Excess (deficiency) of revenues over expenses:		
Operating fund	$ 620,877	$ (179,522)
Capital fund	(267,719)	(317,240)
Items not affecting cash		
Amortization of capital assets	802,348	885,964
Amortization of intangible asset	44,123	10,028
Amortization of deferred SPAN contributions	(578,752)	(578,752)
	620,877	(179,522)
Changes in non-cash working capital		
Accounts receivable and accrued interest	(46,125)	(8,825)
Municipal requisitions receivable	12,766	(5,983)
Saskatchewan Education grant receivable	-	1,291,500
Province of Saskatchewan grant receivable	-	(1,391,250)
Prepaid expenses	10,327	33,054
Accounts payable	(96,257)	413,117
Deferred revenue	(61,200)	(893,347)
Deferred contributions	-	(229,963)
	440,388	(971,219)
INVESTING		
Purchase of capital assets	(76,367)	(372,276)
Purchase of intangible asset	-	(120,336)
	(76,367)	(492,612)
FINANCING		
Repayment of obligation under capital lease	(54,288)	(12,950)
INCREASE (DECREASE) IN CASH	309,733	(1,476,781)
CASH, BEGINNING OF YEAR	104,942	1,581,723
CASH, END OF YEAR	$ 414,675	$ 104,942

See accompanying notes

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2011

1. STATUTORY AUTHORITY

The Saskatchewan Assessment Management Agency (the "Agency") was established under the authority of The Assessment Management Agency Act (the "Act") on March 1, 1987. The Agency is exempt from income taxes pursuant to Section 149(1) of The Income Tax Act.

2. FUTURE ACCOUNTING CHANGES

The Accounting Standards Board ("AcSB") has approved a new framework for not-for-profit organizations that is based on existing Canadian generally accepted accounting principles ("GAAP") and incorporates the 4400 series of standards which relate to situations unique to the not-for-profit world. The new standards are available as of December 31, 2010 as part III of the Canadian Institute of Chartered Accountants ("CICA") Handbook – Accounting and are effective for reporting periods beginning on or after January 1, 2012. The changes to the standards are not expected to have a large impact on the Agency's current accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance GAAP and reflect the following significant accounting principles:

a) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

b) Fund Accounting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations using the restricted fund method of reporting restricted contributions.

The Operating Fund accounts for the Agency's program delivery and administrative activities.

The Capital Fund reports the assets, revenue and expenses related to the Agency's capital assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the diminishing balance method, except for leasehold improvements, mainframe computer equipment and the SPAN system, which are being amortized using the straight-line method over the lease term and lives of the assets, respectively.

d) Intangible Asset

The Agency has no intangible assets with an indefinite life. Other intangible assets are accounted for at cost. Amortization is based on their estimated useful life using the straight line method.

e) Computer Software Development Costs

Computer software development costs are expensed unless they meet the criteria for capitalization provided for under GAAP. Costs are capitalized only to the extent that their recovery is reasonably assured. These costs are amortized over the anticipated period of benefit beginning when the development reaches substantial completion.

f) SPAN Development Costs

Expenditures related to the development of the Saskatchewan Property Assessment Network ("SPAN") were capitalized. The project, which began in June 2002 and was substantially completed in January 2005, allowed the Agency to modernize the computer system used for provincial property assessment. Costs directly related to the project have been capitalized, with the exception of those related to training. The determination of future benefit to be realized from the project is one that involves significant management judgment.

g) Reserves

Reserves are established by Board of Directors' approval through appropriations of unrestricted net assets.

h) Revenue Recognition

The Agency follows the deferral method of accounting for grants and other contributions received from the Province of Saskatchewan, and the municipal requisitions from participating municipalities. Approved operating grants and municipal requisitions are recorded as revenue in the period to which they relate. Grants and municipal requisitions approved but not received at the end of an accounting period are accrued. Other revenues are recognized as revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable and collection is reasonably assured.

Externally restricted contributions for future expenses are recognized as revenue in the year in which the related expenses are incurred. Externally restricted contributions for capital assets are deferred and recognized as revenue in the period the related amortization of the capital assets occurs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Agency's designation of such instruments. Trade date accounting is used.

Classification:

Cash	Held-for-trading
Accounts receivable and accrued interest	Loans and receivables
Municipal requisition receivable	Loans and receivables
Province of Saskatchewan grants receivable	Loans and receivables
Accounts payable	Other liabilities
Obligation under capital lease	Other liabilities

Loans and receivables

Loans and receivables are recorded at amortized cost using the effective interest method.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities other than derivative instruments.

Foreign exchange risk

The Agency does not have any significant exposure to foreign exchange risk.

Interest rate risk

The Agency is not exposed to significant interest rate risk.

Credit risk

The Agency is not dependent on any single customer or group of customers. There is no concentration of credit risk related to the Agency's accounts receivable.

4. CAPITAL ASSETS

	December 31, 2011			
	Rate	Cost	Accumulated Amortization	Net Book Value
Desktop computer equipment	40%	$ 95,439	$ 12,345	$ 83,094
Furniture and equipment	20%	667,219	628,346	38,873
Leasehold improvements	1/5	204,579	185,255	19,324
SPAN system	1/10	5,940,000	4,203,748	1,736,252
Computer equipment under capital lease	40%	451,649	204,447	247,202
		$ 7,358,886	$ 5,234,141	$ 2,124,745

	December 31, 2010			
	Rate	Cost	Accumulated Amortization	Net Book Value
Mainframe computer equipment	1/5	$ 113,955	$ 113,955	$ -
Desktop computer equipment	40%	1,974,886	1,974,886	-
Furniture and equipment	20%	781,109	665,729	115,380
Leasehold improvements	1/5	512,448	483,536	28,912
SPAN system	1/10	5,940,000	3,624,995	2,315,005
Computer equipment under capital lease	40%	451,649	60,220	391,429
		$ 9,774,047	$ 6,923,321	$ 2,850,726

Amortization expense for the year comprised the following:

	2011	2010
Amortization of equipment and leasehold improvements	$ 223,596	$ 307,212
Amortization of SPAN system	578,752	578,752
	$ 802,348	$ 885,964

5. INTANGIBLE ASSET

	December 31, 2011				
	Rate	Cost	Accumulated Amortization	Net Book 2011 Value	Net Book 2010 Value
Computer software	1/3	$ 120,336	$ 54,151	$ 66,185	$ 110,308

6. DEFERRED CONTRIBUTIONS RELATED TO SPAN

In 2007, the Agency received a restricted contribution for the development and implementation of SPAN. The Agency is required to demonstrate to the Province of Saskatchewan that the conditions attached to the funding are being met.

	2011	2010
Deferred contributions, beginning of year	$ 2,315,005	$ 2,893,757
Amortization of deferred contributions	(578,752)	(578,752)
Deferred contributions, end of year	1,736,253	2,315,005
Current portion	(578,752)	(578,752)
	$ 1,157,501	$ 1,736,253

7. OBLIGATION UNDER CAPITAL LEASE

	2011	2010
Lease contract, repayble in monthly instalments of $5,171 including interest at 7.5%.	$ 73,824	$ 128,112
Current portion	(58,502)	(54,288)
	$ 15,322	$ 73,824

Future minimum payments under capital leases together with the balance of the obligation due under the capital leases are as follows for the years ending in:

2012	$ 62,055
2013	15,514
	77,569
Less amounts representing interest	3,745
	73,824
Current portion	58,502
	$ 15,322

8. INTERNALLY RESTRICTED RESERVES

	2011	2010
Reserves, beginning of year	$ 781,077	$ 1,386,454
Reserves made during the year	615,000	311,440
Approved expenditures made during the year (net of transfers)	(212,099)	(916,817)
Reserves, end of year	$ 1,183,978	$ 781,077

The balance in reserves at December 31 comprised the following:

Reserve for communications	$ 35,000	$ 35,000
Reserve for computer enhancements	256,451	103,803
Reserve for professional fees	777,527	402,073
Reserve for travel	115,000	115,000
Reserve for restructuring	-	125,201
	$ 1,183,978	$ 781,077

8. INTERNALLY RESTRICTED RESERVES

a) Reserve for Communications

A reserve has been established to provide for the purchase of goods and services required for communication related to the assessment revaluation system. In 2011, $nil (2010 – $25,000) was transferred to the reserve, and $nil (2010 – $40,000) was transferred out of the reserve and into the restructuring reserve.

b) Reserve for Computer Enhancements

A reserve has been established to provide for the purchase of computer software, equipment and services necessary for assessment processes. In 2011, $135,000 (2010 – $75,000) was transferred to the reserve, $33,524 (2010 – ($395,000)) was transferred in to the reserve from the restructuring reserve, and approved expenditures were $15,876 (2010 – $195,000).

c) Reserve for Professional Fees

A reserve has been established to provide for the purchase of legal, appraisal and other professional services related to property appeals, support of value, GIS development and recruitment and retention. In 2011, $480,000 (2010 – $211,440) was transferred to the reserve, $25,000 (2010 – ($180,000)) was transferred in to the reserve from the restructuring reserve, and approved expenditures were $129,546 (2010 – $117,018).

d) Reserve for Travel

A reserve has been established to provide for travel costs that will be incurred relating to the physical re-inspection of property in municipalities. In 2011, $nil (2010 – $115,000) was transferred out of the reserve and into the restructuring reserve.

e) Reserve for Restructuring

A reserve for restructuring had been established to provide for the payment of severance packages to employees, due to budgetary constraints in provincial funding during 2010. In 2011, $58,524 (2010 – ($730,000)) was transferred out of the reserve and into the reserves for professional fees and computer enhancements, and approved expenditures were $66,677 (2010 – $604,799).

9. COMMITMENTS

The Agency has leased premises in locations in Regina, Saskatoon, Yorkton, Weyburn, Melfort, Swift Current, Moose Jaw and North Battleford. The leases are to expire between 2011 and 2016. Annual lease payments over the next five years are as follows:

2012	$ 770,247
2013	216,624
2014	211,454
2015	212,661
2016	53,303

The Agency has entered into an agreement dated March 11, 2010 with a software provider. The total commitment by the Agency is $32,438 to be paid each year from 2011 to 2012.

10. PENSION EXPENSE

Employees of the Agency belong to one of two pension plans. Employees hired after October 1, 1977, make contributions to the Public Employees Pension Plan ("PEPP"), a defined-contribution plan. Funding requirements are established by The Superannuation (Supplementary Provisions) Act and employee contributions are matched by the Agency. Employees hired prior to October 1, 1977, who did not elect to transfer to the PEPP by October 1, 1978, make contributions to the Public Service Superannuation Plan ("PSSP"), a defined-benefit plan. The plan provides for pensions at retirement that are based on employees' years of service and their highest five years' earnings. Pension obligations for this plan are the responsibility of the Province of Saskatchewan's General Revenue Fund.

The total pension cost to the Agency for employees in PEPP was $691,269 (2010 - $656,342).

11. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Agency by virtue of significant influence by the Province of Saskatchewan, non-Crown corporations and enterprises subject to joint control and significant influence by the Province of Saskatchewan and investee corporations accounted for under the equity method (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year-end are as follows:

	2011	2010
Operating expenses	$ 1,727,778	$ 1,804,483
Accounts payable	58,495	40,384

In addition, the Agency pays Saskatchewan Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other amounts and transactions due to (from) related parties and the terms of settlement are described separately in these financial statements and notes thereto.

12. ECONOMIC DEPENDENCE

The Agency is economically dependent on the Province of Saskatchewan due to the extent of its funding of the Agency's operations (60%) (2010 – 59%).

13. CAPITAL MANAGEMENT

The Agency relies primarily on grants from the Province of Saskatchewan, and requisitions from municipalities. The Agency uses the funds available to provide governance and property assessment services for provincial and local governments in the Province of Saskatchewan.

Reserves (Note 8) for anticipated future costs are authorized by the Board of Directors. Contributions to and expenditures from reserves are made in accordance with the terms and conditions established by the Board of Directors.

14. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the presentation adopted for the current year.

SAMA

Saskatchewan Assessment Management Agency

QUALITY ASSURANCE 2011 REPORT

Quality Assurance undertakes statutory property assessment audits, and manages the assessment roll confirmation process to ensure that a municipality's property assessments are generally accurate and compliant.

Gordon S. Senz, Managing Director
March 1, 2012

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

SAMA

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Gordon S. Senz, Managing Director
March 1, 2012

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

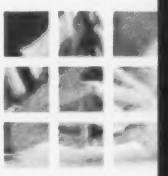
PROPERTY ASSESSMENT AUDITS AND CONFIRMATIONS IN SASKATCHEWAN

Saskatchewan Assessment Management Agency is the regulatory agency responsible for property assessement in Saskatchewan. SAMA's independent Quality Assurance Division (QA) is responsible for the assessment roll confirmation process, undertaking assessment audits (annual confirmation and primary audits on all municipalities) to ensure that municipality's assessments are prepared and administered in accordance with the requirements set out in applicable legislation.

THE CONFIRMATION AUDIT

The confirmation audit reviews for accuracy and statutory compliance of a municipality's assessment roll. The confirmation audit is initiated once a municipality submits an assessment return to QA. The return form (established by Board Order) requires the municipality to report all changes made to their assessment roll since it was last confirmed.

For the 2011 assessment roll year, Certificates of Confirmation were issued for 754 municipalities (99.1% of all received returns for 2011). As at March 1, 2012 confirmation audits were in progress for 7 municipal assessment rolls, and 14 assessment returns have not been submitted for 2011. Quality Assurance provided considerable assistance to municipalities over the year in order to resolve various assessment roll issues.



THE PRIMARY AUDIT

The primary audit reviews the compliance of appraisal level for improved residential and commercial properties that have sold. Legislation requires these two property types to be valued using the "market valuation standard." The appraisal level audit reviews the average ratio level of assessment to the adjusted sale price for the two sold combined property types at the municipal level to ensure there is compliance with the statutory median assessment to sale ratio range of 0.98 to 1.02. When the median assessment to sale ratio is 1.0, it indicates that on average, these property types are assessed at the same level as the sale prices. Both the confirmation and primary audits must successfully pass in order for QA to recommend the municipality's assessment roll for confirmation by the SAMA Board of Directors. For 2011, all primary audits passed and were compliant with the regulated ratio.

THE SECONDARY AUDIT

The Secondary audit is a detailed or comprehensive audit concerning matters of property assessment statutory compliance. Secondary audits typically focus on matters of egregious statutory non-compliance. Secondary audits were not undertaken in 2011.

❖ QUALITY ASSURANCE DIVISION

Quality Assurance Division is independent from the rest of the agency. It has no involvement in property assessment valuation, or setting of policy respecting property assessment valuation. QA is accountable directly to the SAMA Board of Directors through the Managing Director of Quality Assurance.

❖ QUALITY ASSURANCE VISION, MISSION AND PRINCIPLES

The SAMA Board of Directors developed and adopted Vision, Mission, and Principles specifically for the agency's Quality Assurance (oversight) mandate. The Vision, Mission, and Principles establish the Board's position and expectations regarding the property assessment audit mandates, and the efforts undertaken by QA in conducting its audit work.

❖ VISION

The SAMA Board, through its independent and directly accountable QA Division, fosters public trust by ensuring property assessments meet prescribed statutory requirements.

❖ MISSION

To provide unbiased, responsive, professional and collaborative audits of mass appraisal valuation processes and municipal Rolls through an independent and directly accountable QA Division.

❖ PRINCIPLES

a) Accountability
Defines responsibility relationships. The principle of accountability requires a reasonable accountability framework be adopted and implemented, addressing both the auditor (QA) and the auditees (Municipalities and Assessment Service Providers [ASPs]) to ensure a functional property assessment oversight program.

b) Transparency
Defines what shall be undertaken (the QA audits, and provision of information), by whom, what results are reported and when, and to whom those results shall be reported, to ensure confidence and trustworthiness in the property assessment oversight program. Further, this principle requires clearly establishing the authority, who(m) shall be solely responsible for the interpretation and adjudication of audit findings, with full independence for such undertaking from all auditees.

c) Fairness
Defines the requirement for a consistent and impartial property assessment oversight program, and that the programs be undertaken by the auditors in a manner to ensure unbiased, and legitimate treatment of all auditees. Further, this principle addresses a broader desire of the agency, to provide auditees with the opportunity to improve their property assessments where identified by the program, on a continual improvement basis, without the fear of statutory reprisal for error where the order of magnitude is deemed largely compliant.

PRINCIPLES (continued)

d) Equity

Defines the focus on property assessment equity (similar properties in similar markets are valued and assessed similarly), ensuring the desired outcome in an ad valorem system.

e) Sustainability

Defines the need to have an ongoing, functional, and operational property assessment oversight program, ensuring the Board has access to reliable, and timely information concerning property assessments for purposes of advising Stakeholders that they may have general confidence and trust in municipal assessments. This principle addresses the need to ensure the property assessment oversight program does not adversely affect the ability of auditees to carry on their day-to-day functions.

f) Confidentiality

Defines the need for the auditor to keep confidential, all audit working files, including data and information provided to the auditor by the auditee. This principle sets out the requirement to specify what shall be confidential (i.e. source audit data, and working files), and what information shall not be confidential (i.e. audit reports). The purpose of this principle is to ensure the ongoing stability of Rolls, which may be subject to adverse consequences if the auditor released certain data and/or information publicly.

QUALITY ASSURANCE INFORMATION AND REPORTS

QA maintains and publishes information related to property assessment audits and assessment roll confirmations on the SAMA website. Reports and information regarding assessment roll confirmations is kept current, and is generally updated within a few days following SAMA Board meetings. (www.sama.sk.ca).

SUMMARY OF 2011 CONFIRMED ASSESSMENT TOTALS

A Summary of Confirmed Assessment Totals are presented in the two tables that follow. The first table summarizes confirmed assessment totals by tax class and municipal type for 2011. The second table summarizes year over year percentage change for confirmed taxable assessment totals by tax class from 2009 through 2011. More specific confirmed assessment information by municipality is available on the SAMA website.

CONFIRMED AGGREGATE ASSESSMENT TOTALS (PERCENTAGES OF VALUE APPLIED) BY TAX STATUS AND BY YEAR

2011 CONFIRMED ASSESSMENTS		URBAN				
		CITIES	TOWNS	VILLAGES	RESORT VILLAGES	ALL URBAN MUNICIPALITIES
TAXABLE	Non-Arable	289,720	682,240	350,835	104,240	1,427,035
	Other Agricultural	13,464,807	12,258,223	7,584,564	63,085	33,370,679
	Residential	17,857,202,934	3,091,808,357	620,937,953	199,728,843	21,769,678,087
	Multi-Unit	2,928,651,789	139,935,006	11,461,254	8,274,280	3,088,322,329
	Seasonal Residential	0	21,181,720	14,486,850	441,633,147	477,301,717
	Commercial and Industrial	6,948,241,003	725,395,891	92,667,258	32,971,500	7,799,275,652
	Elevators	32,756,380	56,215,303	12,674,775	0	101,646,458
	Railway R/W and Pipeline	37,969,170	13,386,300	15,694,800	25,875	67,076,145
	Taxable Total	27,818,575,803	4,060,863,040	775,858,289	682,800,970	33,338,098,102
EXEMPT	Non-Arable	6,856,375	289,080	28,520	65,840	7,239,815
	Other Agricultural	23,175,593	2,560,415	871,092	59,730	26,666,830
	Residential	191,578,179	85,783,889	13,907,657	11,239,970	302,509,695
	Multi-Unit	76,365,963	3,432,120	280,686	0	80,078,769
	Seasonal Residential	0	2,552,340	467,390	29,487,132	32,506,862
	Commercial and Industrial	6,088,847,498	1,174,365,428	344,752,320	15,669,800	7,623,635,046
	Elevators	3,614,775	165,487	160,875	0	3,941,137
	Railway R/W and Pipeline	33,132,600	4,788,675	2,435,475	0	40,356,750
	Exempt Total	6,423,570,983	1,273,937,434	362,904,015	56,522,472	8,116,934,904
PROVINCIAL GRANT-IN-LIEU	Non-Arable	121,320	280	0	0	121,600
	Other Agricultural	1,008,180	6,105	5,610	0	1,019,895
	Residential	37,887,870	16,184,280	2,924,110	28,350	57,024,610
	Multi-Unit	174,388,918	10,723,720	2,520,840	0	187,633,478
	Seasonal Residential	0	0	0	3,570	3,570
	Commercial and Industrial	593,994,165	25,559,700	3,976,500	711,400	624,241,765
	Elevators	0	0	0	0	0
	Railway R/W and Pipeline	0	470,850	0	0	470,850
	Provincial Grant-in-Lieu Total	807,400,453	52,944,935	9,427,060	743,320	870,515,768
FEDERAL GRANT-IN-LIEU	Non-Arable	0	0	0	0	0
	Other Agricultural	348,415	72,490	0	0	420,905
	Residential	36,197,060	2,516,430	1,553,650	0	40,267,140
	Multi-Unit	39,294,620	266,560	302,540	0	39,863,720
	Seasonal Residential	0	0	0	0	0
	Commercial and Industrial	209,140,651	19,991,000	3,297,400	0	232,429,051
	Elevators	0	0	0	0	0
	Railway R/W and Pipeline	6,831,660	0	285,150	0	7,116,810
	Federal Grant-in-Lieu Total	291,812,406	22,846,480	5,438,740	0	320,097,626

2009 - 2011 CONFIRMED ASSESSMENTS	URBAN		
	CITIES	RESORTS/TOWNS/VILLAGES	MUNICIPAL TOTALS
2009 Totals	25,991,766,472	5,687,748,924	31,679,515,396
Change from 2008	37.66%	30.97%	36.41%
2010 Totals	27,093,576,643	5,418,655,831	32,512,232,474
Change from 2009	4.24%	-4.73%	2.63%
2011Totals	27,818,575,803	5,519,522,299	33,338,098,102
Change from 2010	2.68%	1.86%	2.54%

CONFIRMED AGGREGATE ASSESSMENT TOTALS (PERCENTAGES OF VALUE APPLIED) BY TAX STATUS AND BY YEAR

RURAL	NORTHERN	SASKATCHEWAN
RURAL MUNICIPALITIES	NORTHERN MUNICIPALITIES	PROVINCIAL TOTAL
846,887,515	153,520	848,468,070
8,897,567,524	861,740	8,931,799,943
2,468,583,638	230,591,590	24,468,853,315
47,243,982	15,248,680	3,150,814,991
829,717,510	75,552,540	1,382,571,767
7,431,851,274	361,270,100	15,592,397,026
320,728,373	0	422,374,831
2,547,156,475	242,325	2,614,474,945
23,389,736,291	683,920,495	57,411,754,888
23,325,580	2,000,040	32,565,435
44,038,397	339,735	71,044,962
1,152,212,594	21,029,890	1,475,752,179
1,644,858	830,480	82,554,107
42,170,025	5,022,780	79,699,667
930,855,366	141,097,100	8,695,587,512
38,102,540	0	42,043,677
181,754,775	0	222,111,525
2,414,104,135	170,320,025	10,701,359,064
43,218,490	0	43,340,090
3,163,445	0	4,183,340
1,097,040	196,210	58,317,860
0	0	187,633,478
0	20,440	24,010
79,132,967	16,281,900	719,656,632
0	0	0
39,545,025	0	40,015,875
166,156,967	16,498,550	1,053,171,285
99,817,600	0	99,817,600
7,082,075	0	7,502,980
7,074,550	1,854,790	49,196,480
5,331,480	0	45,195,200
0	560	560
109,844,900	6,643,800	348,917,751
0	0	0
4,992,075	0	12,108,885
234,142,680	8,499,150	562,739,456

RURAL	NORTHERN	SASKATCHEWAN
MUNICIPAL TOTALS	MUNICIPAL TOTALS	PROVINCIAL TOTALS
22,709,408,153	684,415,635	55,073,339,184
28.67%	30.98%	33.04%
23,003,487,765	686,577,205	56,202,297,444
1.29%	0.32%	2.05%
23,389,736,291	683,920,495	57,411,754,888
1.68%	-0.39%	2.15%

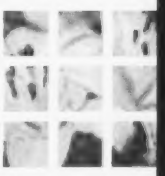
IMPORTANT
APPLIES TO BOTH ADJOINING TABLES

2009 - 2011 assessed values are calculated based on the following percentages for Urban, Rural and Northern Municipalities:

Non-Arable Land	40%
Other Agricultural	55%
Residential/Seasonal	70%
Multi-Unit Residential	70%
Commercial and Industrial	100%
Elevators	75%
Railway R/W and Pipeline	75%

THE FOLLOWING MUNICIPAL ASSESSMENT ROLLS WERE NOT CONFIRMED AS AT MARCH 1, 2012 FOR THE ASSESSMENT YEAR INDICATED. THEREFORE THEIR ASSESSMENT VALUES ARE NOT INCLUDED IN THE ADJOINING TABLES.

YEAR	MUNICIPALITY
2011	N. Village of Sandy Bay
	Resort Village of North Grove
	Resort Village of Sun Valley
	R.M. of Blucher No. 343
	R.M. of Caledonia No. 099
	R.M. of Hazel Dell No. 335
	R.M. of Lost River No. 313
	R.M. of Souris Valley No. 007
	Town of Allan
	Town of Milestone
	Village of Bladworth
	Village of Duff
	Village of Gladmar
	Village of Glaslyn
	Village of Hawarden
	Village of Love
	Village of Plunkett
	Village of Ruddell
	Village of Tuxford
	Village of Wood Mountain
	Village of Yarbo
2009 / 2010	Village of Duff
	Village of Gladmar



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Web site: www.sama.sk.ca

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Phone: 752-6142 or 1-800-216-4427 Fax: 752-6151

❖ MOOSE JAW ❖

228 Main Street North, 4th Floor
Moose Jaw SK S6H 3J8
Phone: 694-4425 or 1-866-398-7889 Fax: 694-4505

❖ REGINA ❖

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Regina SK S4P 0J8
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300, 333 - 25th Street East
Saskatoon SK S7K 0L4
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❖ NORTH BATTLEFORD ❖

702, 1101 – 101st Street
North Battleford SK S9A 0Z5
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Swift Current SK S9H 4G3
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SAMA

Saskatchewan Assessment Management Agency

ANNUAL 2011 REPORT

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